

David M. Friedman (DFriedman@kasowitz.com)
Andrew K. Glenn (AGlenn@kasowitz.com)
Jeffrey R. Gleit (JGleit@kasowitz.com)
KASOWITZ, BENSON, TORRES & FRIEDMAN LLP
1633 Broadway
New York, New York 10019
Telephone: (212) 506-1700
Facsimile: (212) 506-1800

*Attorneys for Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re Chapter 11

BORDERS GROUP, INC., *et al.*,¹

Debtors.

Case No. 11-10614 (MG)

(Jointly Administered)

SUPPLEMENTAL DECLARATION OF DAVID PERESS

I, David Peress, hereby declare that the following is true and correct to the best of my knowledge, information and belief:

1. I am a Principal of Streambank, LLC (“Streambank”), an intellectual property sales and marketing firm with its principal offices located at 97 Chapel Street, Needham, MA 02492. I am duly authorized to make this declaration (the “Declaration”) on behalf of Streambank, and submit this supplemental declaration (this “Supplemental Declaration”) in accordance with sections 327(a) and 328(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 2014(a), 2016(b) and 5002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) in connection with the application (D.I. 1400; the “Application”) of the above-captioned debtors and debtors in possession (collectively, the

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Borders Group, Inc. (4588); Borders International Services, Inc. (5075); Borders, Inc. (4285); Borders Direct, LLC (0084); Borders Properties, Inc. (7978); Borders Online, Inc. (8425); Borders Online, LLC (8996); and BGP (UK) Limited.

“Debtors”) for an order approving the retention of Streambank as intellectual property disposition consultant to the Debtors *nunc pro tunc* to July 20, 2011.

2. On July 27, 2011, I submitted my initial declaration in support of the Application (D.I. 1400, Ex. C; the “Declaration”).

3. On August 10, 2011, this Court entered an order approving the Application and thereby authorizing the Debtors to retain Streambank (D.I. 1499).

4. The purpose of this Supplemental Declaration is to provide the Court and parties in interest with new information related to Streambank’s connection and relationship search and Streambank’s agreement to share compensation that may be received from the Debtors’ estates.

5. Specifically, effective September 1, 2011 (the “Effective Date”), Jack Hazan, a principal of Streambank, Gabriel Fried, a principal of Streambank, and I (collectively, the “Streambank Principals”) entered into employment agreements with Hilco Appraisal Services, LLC (“Hilco Appraisal”). Hilco Appraisal is a subsidiary of Hilco Trading, LLC. At this time, the Streambank Principals continue to be employed by Streambank in addition to Hilco Appraisal pending completion of the engagements for which Streambank was retained, including Streambank’s engagement by the Debtors. Additionally, as part of the overall agreement with Hilco Appraisal, Streambank entered into a revenue allocation agreement pursuant to which Streambank agreed to allocate a portion of revenue received after the Effective Date, including any revenue received from the Debtors, to Hilco Appraisal.


6. Upon information and belief, a joint venture that includes Hilco Merchant Resources, LLC (“HMR”) served as and continues to serve as agent to the Debtors in connection

with store closing and going out of business sales. HMR is also a subsidiary of Hilco Trading, LLC and a sister company to Hilco Appraisal.

7. Together, the Declaration and this Supplemental Declaration constitute Streambank's statement pursuant to Bankruptcy Code sections 327 and 504 and Bankruptcy Rule 2014.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on this 14th day of September, 2011.



David Peress
Principal, Streambank, LLC